

EXHIBIT C



DEPARTMENT OF THE TREASURY
UNITED STATES MINT
WASHINGTON, D.C. 20220

Adam Youngs
The Portland Mint
2006 16th Ave
Forest Grove, OR 97116-2846
portlandmint@gmail.com
SENT VIA EMAIL AND USPS

Dear Mr. Youngs:

This letter provides an official determination on The Portland Mint's August 2018 submission to the Mutilated Coin Redemption Program (Program).

As background, regulations for the Program establish that bent or partial coins may be submitted for examination for possible redemption. *See* 31 C.F.R. § 100.11. To be redeemed, the bent or partial coins that are submitted must be determined to be, upon examination, "lawfully held" and "readily and clearly identifiable as to genuineness and denomination." *See* 31 C.F.R. § 100.11(a)-(b). With all submissions, the Mint has the right to test samples from the submission to authenticate the material in the submission. 31 C.F.R. § 100.11(c)(4).

Under the Program, no redemption will be made when "[a] submission, or any portion of a submission, demonstrates a pattern of intentional mutilation or an attempt to defraud the United States," "[a] submission appears to be part of, or intended to further, any criminal activity," or a submission "contains a material misrepresentation of fact" under other parts of subsection (c). *See* 31 C.F.R. § 100.11(c)(6)(i)-(iii). If redemption is prohibited for any of these reasons, the submission will not be returned.

In August 2018, The Portland Mint submitted approximately 425,095 pounds of mutilated coin material to the Program for possible redemption. During the delivery of this material at Olin Brass in Illinois, United States Mint employees collected random samples from random containers using a probe, which allowed for a representative cross-section. The gross weight of the retained sample is approximately 35 lbs. The coin sample is predominantly dimes and quarters, which are an equivalent weight per dollar of value. The representative sample from the shipment consists of 4,205 coins (2,038 quarters, 2,073 dimes, and 94 other pieces).¹

From this larger sample, a statistically representative subsample was randomly generated, assembling 101 representative quarters and 102 representative dimes. These coins represent a carefully selected random sample representing the entire shipment. These coins received the most detailed testing. The balance of the larger coin sample all received individual visual inspection, notation of condition, weight, and issue year and mint mark.

¹ For purposes of this notification, the use of the terms "coins," "quarters," and "dimes" does not imply authenticity as legal U.S. tender.

The United States Mint analyzed pieces from this random subsample of the coin shipment using physical analysis, chemical analysis, and electromagnetic testing. The subsample was compared to coins obtained from circulation and compared against United States Mint specifications for coinage and our production practices. While many pieces were within the publicly accessible specifications for United States coinage in terms of metallurgical composition and weight, detailed testing and thorough analysis reveal that a very high percentage of coins submitted were actually made by a manufacturer other than the United States Mint. The United States Mint is the sole manufacturer of legal tender coinage for the United States. Methods of inferential statistics show that the entire submission was inconsistent with genuine United States coinage and found to be counterfeit.

I have reviewed the test results and find that the testing sufficiently supports a conclusion that the coins you submitted in August 2018 were counterfeit. Based on this finding, and pursuant to 31 C.F.R. § 100.11(c)(6)(i)-(iii) and 31 C.F.R. § 100.11(c)(7), the United States Mint denies redemption of The Portland Mint's material submitted to the Mutilated Coin Redemption Program in August 2018. Counterfeit coins are per se contraband, and will not be returned to the holder. See 18 U.S.C. § 492. All rights are reserved for the government to take appropriate legal action.

Should you wish to appeal this denial of redemption, you may submit a written appeal within 30 days of receipt of the decision. The appeal should include any and all relevant information as to why the decision should be overturned. The written statement should be sent via email to:

David Croft
Associate Director for Manufacturing
United States Mint
david.croft@usmint.treas.gov

with a copy to:

John Schorn, Esq.
Chief Counsel
United States Mint
john.schorn@usmint.treas.gov

If no appeal is received within the specified timeframe, the decision becomes final.

Sincerely,

Richard Robidoux
Division Chief, Engineering
United States Mint

cc: Lee Vartan, Esq. via email at lvartan@csglaw.com